



Missouri Department of Natural Resources

MINUTES

MISSOURI SOIL AND WATER DISTRICTS COMMISSION

DNR CONFERENCE CENTER

JEFFERSON CITY, MISSOURI

May 23, 2006

COMMISSION MEMBERS PRESENT: John Aylward, Kathryn Braden, Elizabeth Brown, Richard Fordyce, Leon Kreisler, and Baughn Merideth

EX-OFFICIO MEMBERS: JOHN HOSKINS, DEPT. OF CONSERVATION: Brad McCord; **DOYLE CHILDERS, DEPT OF NATURAL RESOURCES:** Mike Wells

ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM: Sarah Fast; **NRCS:** Roger Hansen, **MASWCD:** Steve Oetting

STAFF MEMBERS PRESENT: Davin Althoff, Gary Baclesse, Milt Barr, Kurt Boeckmann, Jim Boschert, April Brandt, Michelle Chadwick, Chris Evans, Noland Farmer, Tricia Jackson, Joyce Luebbering, Dean Martin, Colleen Meredith, Theresa Mueller, Marcy Oerly, Jim Plassmeyer, Josh Poynor, Jeremy Redden, Ron Redden, Kevin Scherr, Judy Stinson, Ken Struempf, Cody Tebbenkamp, Alex Tuttle, Chris Wieberg, Bill Wilson

OTHERS PRESENT: DISTRICTS: CASS: Earlene Davis, Mike Moreland; GREENE: Eric Morris; GRUNDY: Nathan Meserve, Matt Ray; LAWRENCE: Paula Champion; MERCER: Beth Walter; OSAGE: Cindy DeOrnellis; SCHUYLER: Darla Campbell; VERNON: Mark Curtis, Fred Feldmann; DEPARTMENT OF NATURAL RESOURCES: Richard Moore, Becky Shannon; **OTHERS:** MASWCD: Peggy Lemons; MISSOURI FARM BUREAU: Kelly Smith; MISSOURI NATURE CONSERVANCY: Steve Mahfood; NRCS: Dwaine Gelnar, Dick Purcell, **INDIVIDUALS:** Jack Farnsworth, Lyle Johnson

A. CALL TO ORDER

Chairman Elizabeth Brown called the meeting to order at the DNR Conference Center in Jefferson City, Missouri, in the Bennett Spring/Roaring River Room at 8:03 a.m.

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B. CLOSED SESSION

Kathryn Braden made a motion to go into closed session pursuant to Section 610.021, RSMo 2000 (as amended), to discuss legal, confidential, or privileged matters under §610.021(1), RSMo; personnel actions under §610.021(3), RSMo; personnel records or applications under §610.021(13), RSMo; audit issues under §610.021(17), RSMo; or records which are otherwise protected from disclosure by law under §610.021(14).

Richard Fordyce seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

C. MINUTES OF THE LAST MEETING

Kathryn Braden made a motion to approve the minutes of the February 15, 2006, commission meeting as mailed. Baughn Merideth seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

MINUTES OF THE CLOSED SESSION

Richard Fordyce made a motion to approve the minutes of the closed February 15, 2006, commission meeting as mailed. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

D. REVIEW/EVALUATION

1. District Assistance Section

a. Fiscal Year 2007 District Assistance Grants

Jim Boschert presented a review of the fiscal year (FY) 2007 district assistance grants. There are four grants available to the districts to help with personnel and administrative costs. They are the district assistance allocation, matching grant, district employee benefit grant, and the information/education grant.

The total projected amount for the district assistance grants for FY07 is \$8,401,275. This total includes an increase of \$258,243 for the employee benefit grant that was approved by the legislature.

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The total available for the district assistance allocation for FY07 is \$6,400,000. The districts also have available to them \$1,751,275 for the employee benefit grant and \$250,000 through the information/education grants.

Mr. Boschert proceeded to cover the current district assistance grant allocation formula for the commission. In the current allocation formula \$754,000, which is 9 percent of the total available, is divided using a workload formula that was developed in FY93. This formula takes into account cost-share claims by a district, highly erodible acres minus Conservation Reserve Program (CRP) acres, and Natural Resources Conservation Service (NRCS) workload analysis. Because of the workload formula discussed, 63 districts began receiving additional funds when the formula was adopted.

He stated the intent of the matching grant program is to provide an incentive for districts to develop local sources of funding for a 1:1 matching grant while stimulating new and/or continued local funding for programs and activities. At the beginning of the fiscal year, each district has \$5,000 available to them for a 1:1 matching grant for which they need to submit proposals indicating how they wish to spend the money. After a proposal is approved, the district can purchase items submitted on the proposal and submit a claim against the matching grant. When the expense is claimed, the commission will match the expense, dollar for dollar, up to the maximum of \$5,000. Districts have until the end of the fiscal year to make purchases that are on the matching grant proposal and claims must also be submitted during the fiscal year.

Mr. Boschert stated that for the upcoming fiscal year, that begins July 1, there would not be any additional funds available in the districts assistance allocation. He reminded the commission that they have a policy that district assistance funding would not be reduced from one year to the next. This policy was developed to provide year-to-year stability. Because of this, staff has not developed any alternative for changing the allocation. Mr. Boschert informed the commission that staff would notify district that their FY07 district assistance allocations would be the same as FY06.

He reminded the commission that staff was working with Dr. Rikoon to get information for a possible budget expansion in the district grants for the next fiscal year.

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b. Fiscal Year 2007 District Employee Benefit Grant

Jim Boschert presented a review of expenditures for the last fiscal year, an update on the first three quarters of the current fiscal year, and a review of the benefit grant policies.

Mr. Boschert proceeded to review the expenses for last fiscal year. Last fiscal year, the total for health insurance expenses were \$892,391, retirement was \$331,101, and the total claimed from the benefit grant was \$1,223,492. This was an increase of \$119,840 from the previous year.

The estimated total to be claimed for benefits for the current fiscal year is \$1,001,298. This will be claimed as health insurance expenses. For retirement, \$336,435 is the estimated cost to be claimed. The total amount that would be claimed is \$1,337,733. This amount is \$114,241 more than the previous year. The total available for the current year is \$1,493,035 and it is estimated that \$1,338,883 would be claimed. This would leave \$155,302 unspent in the benefit grant.

The policies that govern the benefit grant stated that the benefit grant could only be used for health insurance and retirement. Health insurance allocation is based on the least cost premium available through Missouri Consolidated, and there is currently a \$10 copay per month per employee. Retirement salaries are updated twice a year and retirement is five percent of the district employee's salary as of July 1 and January 1.

Mr. Boschert stated that it has always been the intent of the benefit grant that retirement from the grant was over and above social security for the district employee. He informed the commission that the program office knew of one district that was using the retirement portion to pay their employees' social security. After discussing this with the benefit committee, they agreed that the retirement portion of the benefit grant was intended to be over and above social security. He stated that the committee would like the commission to clarify the policy that governed the retirement portion of the benefit grant. He also stated that it had been the intent of the committee that retirement is over and above social security or its equivalent, but it was never written in the memos or policy.

Kathryn Braden made a motion to approve the policy clarification.

Baughn Merideth seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn

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Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Next Mr. Boschert stated there was an expansion of \$258,240 for benefit grants that had been approved by the legislators and was waiting for the governor's signature. If approved, the amount available in the benefit grant would be \$1,751,275.

Mr. Boschert stated the benefit committee figured the cost of future years' expense by calculating a 20 percent increase in health insurance and a 10 percent increase in retirement. It was pointed out that it is difficult to determine the health insurance cost from one year to the next because of the continuing climb of health insurance premiums. With the budget expansion, there should be enough funds to cover health insurance and retirement expenses for the district employees for 2007.

It was the consensus of the commission to maintain current policy.

c. Approval of Fiscal Year 2007 Information/Education Grant Proposals

Jim Plassmeyer presented a review of the information/education program that began in fiscal year (FY) 2004. The program is a competitive program among the districts to fund new and innovative projects. The \$250,000 for the program came from redirecting unused funds from the loan interest-share program. Proposals from the districts are ranked and reviewed by the information/education review committee and then presented to the commission for approval. The review committee consists of a representative from the Department of Agriculture (MDA), Missouri Department of Conservation (MDC), Natural Resources Conservation Service (NRCS), University of Missouri Extension, the commission, and program staff.

On May 12, 2006, the committee met and reviewed the 25 proposals received from 20 different districts for a total of \$225,074.

The committee reported that 11 districts, approved for the current fiscal year, asked for funding over multiple years. Multiple year proposals can be for up to three years with the second and third years subject to demonstrated progress. The committee felt that the 11 districts showed good progress and that their projects should continue to be funded as requested. FY07 will be the final year for nine of the 11 projects. The

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remaining two projects would be on their second year. The 11 districts requested \$26,334 for the second and third year of their projects.

The committee recommended funding 21 of the 25 new proposals received for a total of \$152,743. Some were not recommended because of the salary policy, and one was not recommended because the committee did not think it was the sole responsibility of a district to start a statewide photo contest. The committee felt it should be handled by Missouri Association of Soil and Water Conservation Districts (MASWCD) or at the state level.

When asked if this was the end of submitting grants or would there be more funds for available for new proposals this fiscal year, Mr. Plassmeyer answered yes, but that was part of another question that he had. He stated that in the past it was opened up for another call when all the funds were not allocated. He reported there was approximately \$70,000 left for FY07. When asked how the numbers compared to last year's first call, Mr. Plassmeyer answered the numbers were about the same. There was discussion regarding two proposals, one was funded, and one was not. When asked if it was possible for the commission to receive a copy of the spreadsheet used to judge the proposals so that the commission was aware of the criteria, Mr. Plassmeyer answered yes. Mr. Plassmeyer informed the commission that the review committee consists of a representative from the MDA, MDC, NRCS, University of Missouri Extension, the commission, and program staff. Mr. Plassmeyer proceeded to cover how proposals are ranked using a point system.

Kathryn Braden made a motion to approve the committee's recommendation. Richard Fordyce seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Next Mr. Plassmeyer stated that there was \$70,922.97 left in the program. He informed the commission that in the current fiscal year not all the funds were obligated in the first round so the commission approved a second call stipulating how the money could be spent. He asked the commission if they wanted to offer a second call for FY07.

When asked if the funds were not used for a second call could it be used for another purpose, Mr. Plassmeyer answered that last year after the

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second call there was approximately \$35,000 to \$40,000 left and the commission moved that to the matching grant fund. It was then asked if they should wait until after the tax vote to decide any further allocation and asked when the second call would have to be spent by. Mr. Plassmeyer answered that in the past it was limited to just the current fiscal year. When asked if the money was not allocated if it would stay in the info/ed grant fund, Mr. Plassmeyer answered it would until the end of the FY07, at that point it would become part of the total funds available in the sales tax fund for FY08

It was the consensus of the commission to wait until the result of the tax renewal vote was known.

In response to a question about the budget, Ms. Fast answered that in August staff would bring Dr. Rikoon's numbers on possible district salary grant increases. This would go through the department budget process in the fall and to Office of Administration by November 1, and then to the Governor's Office. She stated that in August discussion would start, in September the result of the tax vote would be known so if adjustments were needed they could be made. Ms. Fast stated that a placeholder could be put in place if the commission was interested in a salary increase for districts. Mr. Kreisler asked if the commission could be provided information on the base level grant. Ms. Fast answered that Jim Boschert could provide hard copy information on that. Ms. Fast stated for the workload formula, that it was about 10 percent of the \$8,000,000 that goes to district assistance, which is approximately \$793,000 for the workload. She indicated the committee that was developed to look at this issue was looking a multi year approach, but referred that question to Peggy Lemons. Peggy Lemons stated it depended on the amount they come up with, but by looking at some of the preliminary numbers, she felt it was going to be a larger amount that might have to be implemented over two or three years.

Ms. Braden presented a statement to the commission and staff from Southwest Missouri regarding the information from Sandy Rikoon on the salary study. She stated that districts across the state have asked for an increase in administrative funds for fiscal year beginning July 1, 2007. She asked that staff keep this in mind and get the issue back on the agenda in a timely manner. Many districts were having difficulty-holding employees on the base rate of \$44,000 especially if they are stand-alone counties.

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E. APPEALS

1. Cost-Share

a. Schuyler Soil and Water Conservation District (SWCD) – Landowner Appeal of the Board’s Decision to Cancel the Application on the DWC-1 Practice

Joyce Luebbering presented a landowner appeal of the board’s decision to cancel the application on a Water Impoundment Reservoirs (DWC-1) practice. On April 4, 2006, the board reached the decision not to extend the termination date on a DWC-1 Water Impoundment Reservoir Practice.

The cost-share rule states that, “all applications shall specify a termination date, which shall not exceed 12 months from the date the landowner’s application is approved by the board. Claims for payment received after the termination date shall not be honored, unless an amendment for an extension is approved by the board. Amendments for extension can be authorized for an adequate period determined by the board to be reasonable and fair to the landowner. Following the installations, it will be the responsibility of the technician to certify to the district that the practice was or was not properly installed. A landowner that is not in agreement with a decision made by the district board of supervisors may appeal the decision to the commission”.

On November 2, 2004, the board approved the application for \$6,000 for the structure and the termination date was February 7, 2005. On January 28, 2005, the amendment was approved by the board to extend the termination date to May 10, 2005. On May 3, 2005, a second amendment was approved to extend the termination date to June 15, 2005. Then on June 10, 2005, a third amendment was approved to extend the termination date to September 15, 2005. On September 9, 2005, a fourth amendment to extend the termination date to January 12, 2006, was approved and on January 4, 2006, a fifth amendment to extend the termination dated to April 12, 2006, was approved.

In a letter, dated April 6, 2006, from the board to the landowner stated that during the April 4, 2006 board meeting, the landowner requested another extension, but the board did not approve it because the landowner had already received five extensions. The landowner sent a letter to the commission to appeal the decision of the board because the practice was not completed due to the weather. The landowner’s letter also stated that

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on two occasions intervention on the part of the local board made it impossible to meet the termination dates.

A letter sent to the landowner on April 6, 2006, informed him of his right to appeal the board's decision. The letter also stated that the board was aware of technical standards and specifications the practice was to meet. It was noted that the principal spillway pipe did not meet the inspection policy.

On April 17, 2006, the board signed a cost-share amendment that terminated the practice on April 12, 2006.

Darla Campbell from Schuyler SWCD stated that according to the six notes regarding the district's intervention, on August 10, 2005 the technician told Jack and Steve Farnsworth that due to the drought conditions it best to stop dozing until rain, the moisture was gone for the compaction on the dam. She stated that when it went to the board that was what it was in reference to. She indicated that since then, they have had several inches of rain throughout the county, and 25 structures had been completed since the approval of the original approval. She indicated that the board felt that it was necessary to move on with the usage of the money. Last year they did not claim their 80 percent cost-share and they wanted to do that. This was one thing they felt was setting a dangerous precedent if they continued to give extensions. According to their board policy after the second extension, the landowner has to appear before the board and justify the reason for the extension.

When asked about the comment from Mr. Farnsworth about a call from Schuyler SWCD office telling them to remove two dozers, Ms. Campbell answered that she did not know anything about that. When asked if other landowners were able to complete their structures when Mr. Farnsworth was not, Ms. Campbell answered that was correct, the rain in the county was inconsistent even though they had several inches.

Jack Farnsworth stated they had a dozer that broke down; they hired another operator that brought in two dozers. That night he received a call from district that told him to go to another project. This was after only working about two hours. According to the landowner, on August 10 they were told to stop working even though the ground was packing and they informed the representative of that fact. Three days later, they reported that they had closed the pond dam. He stated there was no mention from

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the district employee about having to inspect the pipe. After that, they receive rain that filled the pond and prevented them from moving dirt. He stated they drained the pond the best that they could. They were told they would be notified when they could push dirt in. Until they met with the district in December, they were never told they could push dirt even though they had received rain. He pointed that some of the extensions they were given were not adequate.

When asked what the status of the project was, Mr. Farnsworth answered the pipe was in the dam and they were informed at the last meeting that the district was suppose to see the pipe. He indicated that in his information, there was nothing stating the district was to inspect the pipe before it was covered. He reiterated that when district staff was there on August 10th, she was told the pipe was in, the dam was closed, and she made no mention that the pipe needed to be inspected. When asked what the purpose of the reservoir was, Mr. Farnsworth answered to stop erosion. When asked what was wrong with the spillway pipe, Ms. Campbell answered that at the last meeting Mike Bradley mention that it would have to be inspected to proceed with building the pond. She stated that he told her that due to Natural Resources Conservation Service (NRCS) specs, because of the size it had to be inspected. When asked if the size and quality of the pipe was correct, she answered she did not think that was an issue. Mr. Farnsworth stated that in the meeting, they were supposed to inspect the pipe being put in the dam to make sure that it was packed around the collars and the pipe. Ms. Campbell stated she did not believe there was any written information given, she thought it was given verbally. When asked how long it would take to fix the problem, Mr. Farnsworth answered they would have to get the water drained out, and get in there with a dozer. He indicated that the only thing that needed to be filled in was around the pipe that sticks out on the pond side, and a section on the east side of the pipe. He indicated it was a matter of it being dry enough to get access to that area, without getting a dozer stuck. When the district was asked how long their money that been tied up with this practice, Ms. Campbell answered a year and a half. When asked if the pipe would have to be uncovered in order to be inspected, Ms. Campbell answered yes according to Mike Bradley. Dick Purcell from NRCS stated that in 2004 NRCS implemented a policy on certain size dams that the principal spillway has to be inspected by staff from NRCS when it is installed. He indicated that he did not know why this was not communicated to the landowner. He stated that before NRCS could certify it to meet standards and specifications; it would have to be

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uncovered and installed. When asked what the dam specifications were, Mr. Purcell answered class three dams, which are 20 feet tall. Roger Hansen stated the dam would need more work to meet final specifications. Mr. Farnsworth proceeded to cover the timeline on the extensions. When asked if the corrections would be completed by the end of June, Mr. Farnsworth answered that it depended on the weather.

Kathryn Braden made a motion to deny the landowner's appeal. Failing to receive a second, the motion did not carry.

When asked what length of extension the landowner wanted, Ms. Fast answered she assumed extension of time for them to complete the practice. Mr. Fordyce stated they needed a time. Ms. Fast stated the commission could put that as part of the motion. When asked if the landowner was agreeable to excavating the pipe, Mr. Farnsworth answered that if that was required, then that would be necessary. When asked how many yards were in the dam, Mr. Farnsworth answered approximately 8,000.

John Aylward made a motion to allow the extension to July 1, 2006, and if not completed and does not meet specifications then it would be cancelled. Richard Fordyce seconded the motion.

Steve Oetting asked if that date would carry it over to the next fiscal year, so the project would be carried for three years. Mr. Aylward asked if June 29 was a better date. Mr. Oetting stated he did not see a reason for not having something done in two fiscal years. He indicated there was a month until June 20 to get something done. He stated he supported Schuyler County, and he felt it should be done in the current fiscal year. Mr. Aylward asked if June 20 was better. Mr. Oetting answered yes. Mr. Aylward stated that was his motion.

A poll vote was taken. John Aylward, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and Kathryn Braden voted against the motion. The motion passed.

F. MINUTES OF THE LAST MEETING (Continued)

Kathryn Braden made a motion to approve the minutes of the March 20, 2006, commission meeting as mailed. Baughn Merideth seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn

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Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

G. APPEALS (Continued)

1. Cost-Share

b. Texas SWCD – Board Approval Date on Application Prior to Landowner Signature Date

Joyce Luebbering presented an appeal from Wayne Coney and the Texas County Board of Supervisors. The board was appealing the program office's denials for payment for two Permanent Vegetative Cover Improvement (DSL-2) practices.

Commission policy states, "District employees should not sign or date the application for the landowner. The landowner should enter the date at the same time the signature page is signed. The landowner must sign and date the signature page prior to the board approving the landowner request for cost-share assistance. In no instance should the date of the board approval be prior to the date of landowner signature".

On January 23, 2006, the board signed two DSL-2 practice applications and the landowner signed it on March 17, 2006. When the applications were received in the program office, the discrepancies were noted and the claims denied. Mr. Coney stated in a letter that he failed to date the application and district staff filled in the blank. The board stated in a letter that a sincere mistake was made in an effort to process the landowner's claim in a timely manner and the oversight was encountered because the clerk was learning her new job.

Ms. Luebbering stated that the commission had given staff permission to approve applications when a landowner signs an incorrect date. She stated that because the date of the application was almost two months after the board's, staff was not comfortable approving the claims and requested direction from the commission.

When asked if the board approved application before the landowner had signed it, Kathryn Braden answered the letter stated the landowner signed the application but did not date it. The board approved it then and the district clerk filled in the wrong date.

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Kathryn Braden made a motion to approve the board's appeal. John Aylward seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

2. Loan Interest-share

a. Johnson Soil and Water Conservation District (SWCD) – Drill Purchase by the Landowner Prior to Commission Approval

Marcy Oerly presented a request from Johnson SWCD asking the commission to approve a landowner's participation in the Loan Interest-Share Program when the equipment was purchased and the loan obtained prior to approval of the application.

The commission policy requires an applicant receive commission approval of their Loan Interest-Share application before any equipment is purchased or before the loan is finalized.

In a letter dated April 12, 2006 from the board, the landowner requested Loan Interest-Share participation in October of 2004. During that time, the district manager was on extended family sick leave. Due to her absence, the other district personnel took care of processing the application and had it signed by the chair of the board on November 17, 2004. Once it was approved by the board, the district informed the landowner that he could purchase the equipment and finalized the loan. District staff did not realize that the program had to approve the application before the landowner could proceed with the purchase of the equipment and finalizing the loan.

When Mr. Brunner received notification from the district, he believed that he was approved to participate in the program. On November 18, 2004, he finalized his loan and purchased a no-till drill. The program office did not receive his application until December 20, 2004, however, there was no promissory note, or bill of sale attached to the paper work so the program office was unaware that he had already purchased the equipment and finalized the loan. On December 21, 2004, staff approved the application. Ms. Oerly stated that it was not until December 2005, that the district sent the cost and technical verification form to the program. It was at that time that the program realized that Mr. Brunner had purchased the equipment and finalized the loan prior to approval by the program office.

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Ms. Oerly stated that board felt the landowner acted in good faith and should not be penalized for an administrative error.

Richard Fordyce made a motion to approve the board's request. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

G. REVIEW/EVALUATION (Continued)

1. Land Assistance Section

a. Cost-Share

1. Monthly Cost-share Usage and Fund Status Report

Noland Farmer reported that as of the end of the 3rd quarter of fiscal year (FY) 2006 the districts had obligated \$20,400,000 of the \$24,000,000 that had been allocated for regular cost-share. This time last year, they had obligated \$19,600,000 of the \$24,000,000 allocated. As of March 31, \$12,800,000 was claimed compared to \$8,900,000 in FY05 for the same time period.

It was projected that only \$20,000,000 of the funds allocated would be claimed, because it is unlikely that the entire amount allocated to the districts would be claimed. This projection was based on trends of previous years.

As of April 30th, \$13,900,000 in claims had been processed, which was \$1,900,000 more than projected.

As of May 19, 2006, \$15,200,000 in claims had been received compared to \$12,200,000 last year.

When asked if some of the percentages were behind, Mr. Farmer stated that it varies from year to year and county to county. He stated many of the districts were ahead of last year because the amount claimed was almost \$2,000,000 more than last year at this time. Overall, statewide he felt it was better than last year, but there could be individual districts that are behind. When asked if the districts that had low percentages would be able to claim their 80 percent, Mr. Farmer answer they still had some time to get it

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claimed. He indicated the program expected to receive approximately \$5,000,000 worth of claims in the next 25-30 days. When he talked to the districts, they indicated they were going to be sending in many claims. Sarah Fast stated the landowners could have their practices completed, but just not submitted their receipts. When asked if the over allocating could cause a problem, Ms. Fast answered that cost-share has what is called an "E" or estimated amount, so the commission could allocate more. Mr. Farmer informed the commission that last year's rollover was approximately \$1,000,000 after the districts cancelled the landowners that were not going to start the practices.

2. Allocation of the Fiscal Year (FY) 2007 Regular Cost-Share Appropriation

Ron Redden presented a review of the FY07 cost-share allocations. The House and Senate approved a budget of \$20,250,000 for regular cost-share. This amount is the same as FY06 appropriations.

Half of the appropriation must be allocated evenly among the 114 districts. This is referred to as the geographic distribution and the portion distributed to each district is \$88,815. The other half of the appropriation is apportioned by the commission by considering the relative need for eligible practices according to the criteria developed by the commission. This half is referred to as the needs distribution of the cost-share appropriation.

Through FY98, the needs distribution portion was based on the percentage of highly erodable cropland in each district based on the Natural Resources Inventory (NRI) numbers from 1972. During the mid 1990s, there was a large fund reserve available, which resulted in each district's needs being met. By FY98, the reserve fund had been depleted and NRI numbers were not available on an individual county basis.

In FY99, the needs distribution was based on the percentage of the amount the district claimed during fiscal years 1995-1997.

Mr. Redden informed the commission that with the current NRI data that is available, it would be difficult to come up with a new

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allocation system that was more fair and reasonable than what has been used the past six years. It was pointed out that the budget process changed in FY05 where funds not claimed the previous year would no longer be available as re-appropriated funds. Any funds not claimed will automatically go back into the soils sales tax fund. The commission in the past had used the re-appropriated funds as additional funds to the districts that claimed at least 80 percent of their previous year's total allocation.

Mr. Redden pointed out that in August the commission would be asked to approve allocating additional funds to districts that claimed over 80 percent of their total FY06 allocation.

When asked if he anticipated any changes in the formula, Mr. Redden answered they had looked at it for several years knowing that this was probably not the best process, but they have a hard time developing objective criteria. When asked if the districts that receive only the geographic allocation of \$88,815 spend it, Mr. Redden answered most did not.

Richard Fordyce made a motion to provide each district with the same initial allocation in FY07 that they received in FY06. Baughn Merideth seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

3. Use of State Cost-Share Funds on Acres Enrolled in the Conservation Security Program

Ron Redden presented an update to the commission regarding questions as to whether or not the districts could provide state cost-share for landowners who are enrolled in the federal Conservation Security Program (CSP).

Mr. Redden, and Gary Baclesse met with Dwaine Gelnar and Marilyn Gann from Natural Resources Conservation Service (NRCS) to discuss what CSP provided to landowners, what the requirements were, and how the state cost-share program might continue to work with CSP landowners. Mr. Redden stated that

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the discussion revealed that CSP resembled acres enrolled in Environmental Quality Incentive Program (EQIP) rather than CRP.

Dwaine Gelnar briefly provided the commission with a definition of CSP. CSP is different from any other program they have experienced before. Most of the programs they have applied in the past like state cost-share program, EQIP, Wildlife Habitat Incentives Program (WHIP), and others were dependent upon the needs to apply some additional conservation. The CSP is completely different, in that they are focusing this program toward rewarding producers that had already achieved the environmental benefits. This program is referred to as a stewardship program instead of an environmental program. This program is based on stewardship payments, and other kinds of payments.

The eligibility requirements for the program are similar to EQIP and other programs. Some of the eligibility requirements are you have to be a farmer or rancher, and you have to meet eligibility requirements in the 2002 Farm Bill, such as the Highly Erodible Land (HEL) provisions and wetland provisions. Mr. Gelnar stated there were three levels of participation offered with the program. A producer could be at the minimum level, which is Tier I, or the maximum Tier III. These tiers are different levels of management. Tier III is the highest level of management, which means a person is treating all the resource concerns on the entire farm at an adequate level of management. Tier I is the minimum level, at this level you would have to meet the minimum eligibility requirement for water quality and soil quality, and it only has to be on a portion of the farm. Even though this program does not require a field inspection to apply, they do do spot checks.

He reiterated the three tiers or levels of participation. He stated what the annual payments are that a producer, that is eligible, can receive. The financial assistance for Tier I has an annual limit of \$25,000, Tier II has an annual limit of \$35,000, and Tier III has an annual limit of \$45,000. The payments are based on three elements, stewardship, existing practice, and an enhancement activity. He informed the commission that in FY05 the total for the state was approximately \$12,587,889. The 2006 payments will be over \$20,000,000.

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Mr. Gelnar stated there were 220 watersheds eligible in FY05 nationwide. In Missouri, there were six watersheds in 2005. In 2006, the sign up was lower. This was due to funding; they have had approximately \$200,000,000 available for the program in 2005. In 2006, Missouri has one watershed signed up in the Southwest.

When asked if individual watersheds sign up or if NRCS or if the national office decides, Mr. Gelnar answered there is not a request from the watershed, but what they do is contact the area conservationist to evaluate the watersheds. He informed the commission that there was a national list that recommends when watersheds are to be approved and then Roger Hansen gets the information from the area conservationist and state technical committee and makes a proposal. When asked if there was a timeframe for landowners to enroll in CSP, Mr. Gelnar answered that he heard that there was.

Elizabeth Brown congratulated David Baker for being inducted as an Honorary Member in the College of Agriculture, Food and Natural Resources Ag Alumni Association.

Mr. Redden proceeded to cover the differences in the way the commission looked at cost-share on Conservation Reserve Program (CRP) acres compared to acres included in Environmental Quality Incentive Program (EQIP) contracts, and then compared that analysis with Conservation Security Program (CSP) acres.

He stated that in the past, when a landowner offered acres for CRP it was the commission's policy that the states' cost-share was not to be used to address resource concerns on those acres. He stated that gullies should be excluded from acres being offered in CRP. Once acres are accepted in CRP, the commission held that the landowner was responsible for addressing erosion problems that developed on acres included in the federal program. A landowner receives a regular CRP payment, and maintenance payment that should cover problems that develop during the contract period.

Acres enrolled in EQIP have been viewed differently. Those enrolled in EQIP should be looked at to see if the needed

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conservation practice was included in the contract to be completed with federal funds. If not, the practice may be eligible for state cost-share. Mr. Redden stated that they had worked with Natural Resources Conservation Service (NRCS) to make sure that they both did not provide payments for the same practice. Prior to enrolling in EQIP, both the state and federal program should be covered with the landowner so that the landowner can decide which program best meets his or her need and management objectives.

Mr. Redden stated that with CSP, it was more appropriate to treat the landowners in a manner similar to those with EQIP contracts. His reasons were that many who are enrolled in CSP were able to do so because they had already addressed some of their resources concerns with cost-share funds. The next reason was watersheds that have not been approved yet for CSP, have landowners completing practices with cost-share that will enable them to participate in CSP when it becomes available. As a result, in many instances, there already is a close association between the use of state cost-share and a landowner's enrollment in CSP. Mr. Redden pointed out that 95 percent of CSP acres have addressed "T" and in the future, most landowners accepted into CSP will be for Tier II and Tier III contracts. He stated that for the few that might request cost-share to address erosion concerns that may remain in CSP acres, he and NRCS will need to continue to work together to make sure they are not duplicating payments, or using state funds for CSP practices.

Mr. Redden asked the commission if they wanted staff to prepare a memorandum for the districts informing them about the policy regarding state cost-share on acres enrolled in CSP.

Elizabeth Brown indicated she thought it was good idea to send a memo to the districts. When asked if Roger Hansen agreed, he answered he did and he thought it was a good position.

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b. Special Area Land Treatment (SALT)

1. Review of Agricultural Nonpoint Source (AgNPS) SALT Survey Results

Ken Struempf presented a review of the agricultural nonpoint source (AgNPS) special area land treatment (SALT) survey results. At the February meeting, the commission decided to have staff send out a survey to the districts to evaluate the SALT program prior to issuing the next call for projects in July of 06. He stated there were 27 districts that replied to the survey. Most of the districts that replied have participated in an AgNPS SALT Grant. Based on the responses from the survey questions, most of the districts are comfortable with the commission's administration of the program.

The comments received were favorable of the SALT program and thanked the commission for the opportunity to provide comments. The districts' responses indicated that the SALT program is a good program, and the districts have seen many positive changes made since the pilot calls.

Mr. Struempf reiterated that this had been an informational report for the commission. Given that, no specific changes were being proposed.

When asked if there was a deadline for the surveys, Mr. Struempf answered the deadline was March 21, 2006 and he did not expect anymore.

2. Review of Districts Placed in Management Strategy

a. Daviess – Hickory Creek: Request to Lower Goals and Maintain Personnel funding at \$5,000 Per Year

Colleen Meredith presented a request from the Daviess and Harrison County Soil and Water Conservation Districts (SWCDs) to lower their goals for their Hickory Creek AgNPS Watershed Project without reducing personnel funding. Daviess SWCD is the administering district for the project. The project was placed in management strategy on March 3, 2006.

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The project was approved in May 2003 and implementation began in July 2003. Following the fifth progress report, July 1, 2005 to December 31, 2005, the project progress level was 12.95 percent, which is below the minimum of 15 percent for that period. Staff met with the Hickory Creek AgNPS SALT Steering committee on February 15, 2006 to discuss options. The committee looked at the watershed map and farms within the watershed in deciding goals they could realistically reach. When the project was written, the district thought there would be many acres coming out of CRP, but that did not occur. The program office then sent a letter to the board on March 3, 2006, explaining the situation and requested time on the agenda the March 16, 2006 board meeting. During that meeting, staff reviewed the letter and explained alternatives for the board.

After the board meeting, the board chose to submit a revised plan for the project. The district re-evaluated and reduced various goals. The goals reduced were pasture management; crop management/buffers, nutrient and pest management; erosion control and gully erosion. Conservation Tillage and Information/Education remained the same. Although the district showed a reduction in their goals of 49 percent, the board asked to be allowed to retain the current funding level of \$5,000 per year in personnel without having to reduce it by \$2450 per year. The average personnel budget for the most recent SALT call, which was lower than earlier calls, was \$21,000. The project amount of \$5,000 per year is lower than most projects. Ms. Meredith stated that the personnel budget for the project was shared between Daviess and Harrison SWCDs. If the personnel budget of \$5,000 per year were cut, each district would retain \$1275 per year. During the board meeting, the board of supervisors discussed with staff the ramifications of a reduction in personnel in managing their project.

Elizabeth Brown stated the goals they set were extremely high compared to what they can accomplish. Ms. Meredith informed the commission that when they talked to the SALT steering committee, they expected several acres to

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move out of Conservation Reserve Program (CRP). She stated staff advised them to reduce their goals to what they thought they could accomplish. Richard Fordyce agreed the amount for personnel was low, but if the goals were realistic in the beginning, would the SALT been accepted. John Aylward acknowledged it would not have. When asked what the original six-year budget was, Ms. Meredith answered \$455, 621.

Leon Kreisler made a motion to approve the request. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

b. Pettis – Muddy Creek: Informational Report

Colleen Meredith presented an update on Pettis SWCD's Muddy Creek AgNPS SALT project. This project was placed in management strategy in the fall of FY06 reporting period.

The project was approved in May 2004 and implementation began in July 2004.

Following the third progress report, July 1, 2005 to December 31, 2005, the project progress level was 4.73 percent, which is below the minimum of five percent for that period. Staff sent a letter to the Pettis SWCD Board of Supervisors explaining the situation and requested to be on the agenda for the next scheduled board meeting.

Ms. Meredith stated that a new manager had replaced the previous SALT manager for the district. The new manager and the board have been reviewing past progress and found that the method of reporting terraces was showing fewer acres than actually constructed. According to Ms. Meredith, the district may find that the corrected acres might increase their progress so their percentage on the

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Semi-Annual Progress report would be above the minimum progress the commission requires.

When asked what the total budget was for the project, Ms. Meredith answered \$750,000 and it is a seven-year project. When asked what the administrative funds, Ms. Meredith answered she did not have that information, but thought it was between \$20,000 and \$30,000. When asked what percentage of SALT projects was in management strategy, Ken Struempf answered that at the time there were four out of 68, or approximately six percent. He stated that most were in the early stages on management strategy, which allows the districts to correct items. He also thought that part of the issue was competitiveness when applying for the grant. He thought that the review committee struggled with this. He invited any commissioner that would want to, to set in on the two days of review. It was suggested by Commissioner Aylward that if a project in the first year or year and half was not progressing well it should be stopped. This would help make the districts more realistic with their goals. Mr. Struempf stated that staff could bring something to the commission on the minimum. It was suggested looking at how the districts place percentage of importance on the practices. Mr. Struempf stated that in the beginning of the project the minimum progress appears low seems because it takes some applications a little longer to get through the process. Sarah Fast pointed out that on this project the SALT manager changed.

- c. **Knox – North Fork of Salt River: Informational Report**
Davin Althoff presented an update on the Knox SWCD's North Fork of the Salt River AgNPS SALT Project. This project was placed in management strategy in the fall of FY06 reporting period.

Commission policy states, "if a project's percentage of progress falls below the minimum percentage established by the commission after the first three reporting periods, the project will be placed in management strategy."

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The project was approved in May of 2003 and implementation began in July 2003. Following the fifth progress report, July 1, 2005 to December 31, 2005, the project progress level was 10.73 percent, which is below the minimum of 12 percent for that period. Staff sent a letter to the Knox SWCD Board of Supervisors explaining the situation and requested to be on the agenda for the next scheduled board meeting.

After the board meeting, the board chose to submit a revised plan for the project. Upon reviewing the plan of action, staff approved the approach that the district took in the management strategy process. The district plans to re-evaluate and reduce various goals. The goals to be reduced are buffers, crop management, pasture management, and gully erosion. The district reduced \$17,195 in personnel fund for the last four years of the project, equaling a 32 percent reduction proportionate to the decrease in the importance of the goals that were reduced. The reduction in management would be transferred to SALT cost-share to increase funding for various practices.

d. Greene – Middle Little Sac: Informational Report

Davin Althoff presented an update on the Greene SWCD's Middle Little Sac AgNPS SALT Project. This project was placed in management strategy in the fall of FY06 reporting period.

The project was approved in November 2000 and implementation began in January 2001. Following the tenth progress report, July 1, 2005 to December 31, 2005, the project progress level was 56.74 percent, which is below the minimum of 62 percent for that period. Staff sent a letter to the Greene SWCD Board of Supervisors explaining the situation and requested to be on the agenda for the next scheduled board meeting.

After the board meeting, the board submitted letter that indicated their desire to continue the project through the scheduled completion date of December 31, 2006. In a

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letter from Greene SWCD, they emphasized steps the district was putting forth to improve the progression of the project. The letter also indicated the district had several landowners currently participating in some of the practices. The district indicated an eight percent increase in progress if these practices were completed and if the district continues this pace, the project will end below the expected 80 percent complete at the end of the project, but process should be higher than the 56.74 percent reported in December 2005.

Ken Struempf asked if the commission wanted to revisit the Management Strategy process minimum, which was established for the districts. He asked if the commission wanted to set up a committee to evaluate the current process and make recommendations.

When asked if this committee would be in addition to the selection committee, Mr. Struempf answered that this would be a committee to review the process used to evaluate the projects after they have been approved. John Aylward felt that some districts were not promoting their programs. Richard Fordyce thought it was a good idea to have a committee look at the process. When asked if he wanted to volunteer, he answered yes. Kathryn Braden also volunteered. Sarah Fast stated that staff would ask Natural Resources Conservation Service, and Missouri Association of Soil & Water Conservation Districts for representatives also. Mr. Struempf stated he would like to have something done by October. When asked if anyone else would like to be on the committee, David Baker said yes.

H. REQUESTS

1. District Assistance Section

a. Supervisor Appointments

1. Knox SWCD

Tricia Jackson presented a request from the Knox Soil and Water Conservation District to appoint Dan Devlin to fill the unexpired term of Edwin Shultz.

Richard Fordyce made a motion to approve the board's request. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously

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b. Matching Grant Request – Greene Soil and Water Conservation District (SWCD)

Jim Plassmeyer presented a request from Greene SWCD to add a rotary hammer and portable generator to the list of eligible items to be purchased with a matching grant.

He stated the intent of the matching grant program is to provide an incentive for districts to develop local sources of funding for a 1:1 matching grant while stimulating new and/or continued local funding for programs and activities. At the beginning of the fiscal year, each district has \$5,000 available to them for a 1:1 matching grant for which they need to submit proposals indicating how they wish to spend the money. After a proposal is approved, the district can purchase items submitted on the proposal and submit a claim against the matching grant. When the expense is claimed, the commission will match the expense dollar for dollar up to the maximum of \$5,000. Districts have until the end of the fiscal year to make purchases that are on the matching grant proposal and claims must be submitted during the fiscal year.

He stated that for each category, the commission has approved a list of eligible expenses for the matching grant. He pointed out the hammer and generator was not on the commission's list of eligible equipment and was the first time it had been requested from the matching grant. Mr. Plassmeyer reminded the commission that in 2004 Webster County was approved for a hammer drill using SALT funds and in 1995; the commission denied the purchase of a generator using matching grant funds.

In a letter from the district, they stated fencing was an important component for many practices and electric fencing was an outstanding tool to use. The letter went on to say that, the energizer and grounding system were important for fencing and the fences require at least seven ground rods driven six feet deep. Because of the rocky soil, there is a problem getting the rods deep enough to ground.

Mr. Plassmeyer stated that RsMO 278.120 (3) stated that districts can make available to any land representative whether it is through existing agencies or by such feasible means as the supervisor shall prescribe, such services, materials, and equipment as will assist such land representatives to carry on operations for saving the soil and water.

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He informed the commission that the estimated cost on the matching grant proposal was \$2,000 with the commission's part being \$1,000.

When asked if he knew how many times it would be used in a year, Mr. Plassmeyer indicated there were a couple of district technicians that could answer the question. He stated that statewide they had not received a request for this. Will Rhoads, SALT Manager, stated the issue arose when Webster County purchased their drill. He indicated that at that time they had joint field days where there were demonstrations of the drill with installing systems. Because of this, there has been some interest in it. He informed the commission that Webster County had a stipulation that the drill could not leave the county, so Greene County has received calls from landowners wanting to use one, but they do not have one available. He estimated the use to be three to four times, on the conservative side. When asked what was Mr. Rhoads thought on what the drill and generator would cost, Mr. Rhoads answered the estimated cost for the drill was \$800.00 and the generator was \$1,000 to \$1,200. When asked if this was big enough to operate the drill, Mr. Rhoads answered it would.

Kathryn Braden made a motion to approve the board's request and add the rotary hammer drill and generator to the list for matching grants. Baughn Merideth seconded the motion. A poll vote was taken. John Aylward, Kathryn Braden, Richard Fordyce, Baughn Merideth, and Elizabeth Brown, voted in favor of the motion and Leon Kreisler voted against the motion. The motion passed.

c. Second Budget Revision – Adair SWCD

Jim Boschert presented a request from Adair SWCD asking to revise their budget for a second time.

In a letter from the district, they stated that when the original budget was approved and submitted, the figures on the worksheet did not match the total. Due to the error, there was an excess in the technical services grant. The district wanted to transfer \$4,482.98 from the technical services grant. They would like to place \$2,324.91 in the administrative expenses grant and \$2,158.07 in the management services grant.

Commission policy is that the district can revise their budget once during the fiscal year. Any additional budget revision will have to go to the

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commission for approval. Mr. Boschert informed the commission that in the past, the commission had approved second budget revisions.

John Aylward made a motion to approve the request. Richard Fordyce seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

2. Land Assistance Section

a. Cost-Share

1. Lewis SWCD – Landowner Maintenance Violation on Two Terrace Systems

Joyce Luebbering presented a request from the Lewis SWCD requesting the commission review a maintenance violation on a terrace system.

In a letter dated November 26, 2003, from the Lewis board of supervisor's, it notified the landowner of a maintenance violation on a terrace system built in 1999. It also informed him that the violation needed to be corrected by May 1, 2004. Another letter dated June 21, 2004, from the Lewis board of supervisor's notified the landowner that he had until August 1, 2004, to correct the violation or repay a total of \$13,675.99 for the two applications. A letter dated June 17, 2005, from the Lewis board of supervisors asked the landowner to correct the maintenance of the terraces where the water was holding. They asked that it be done before the board meeting on July 28, 2005, and then complete the remaining maintenance as soon as crops were harvested. In a letter dated January 20, 2006, the landowner was notified that he had 30 days to correct the violation or pay back \$4,488.34. The commission was informed on February 23, 2006, of the maintenance violation and action taken by the board. On March 16, 2006, the landowner was notified that the terrace systems built in 1999 and 2002 were in maintenance violation and did not meet Natural Resources Conservation Service (NRCS) standards and specifications. The landowner was asked to correct the violations or repay \$13,675.99 for both systems. On April 20, 2006, the commission was informed of the follow-up information from a technical check conducted on April 19, 2006. The program office notified the landowner on April 25, 2006 that the commission

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would review the violation at their May 23, 2006 meeting and on May 10, 2006, an agenda was sent to the landowner.

Cost-share rule states, “that if a practice is removed, altered, or modified so as to lessen its effectiveness, without prior approval of the district, for a period of ten years or the expected life span of the practice, whichever is lesser, after the date of receiving payment, the landowner, or his/her heirs, assignees, or other transferees, shall refund to the cost-share program the prorated amount of the state cost-share payment previously received for the practice or portion of the practice which has been removed, altered, or modified”.

The Lewis SWCD approved the DSL-4 terrace system on July 28, 1998. It was certified on February 4, 1999, and the landowner received \$9,972.75 in cost-share assistance. A maintenance violation was noticed on November 12, 2003, when the district technician conducted a spot check of the terraces. A letter was sent to the landowner on November 26, 2003, pointing out the violation and asked that the terrace be returned to its original design by May 1, 2004. The violation was due to the channels of the berms being filled with sediment in addition to some type of blockage in one of the tile lines. This caused water to stand for extended periods resulting in the terraces not meeting NRCS standards and specifications. In a letter to the commission dated February 23, 2006, the board described the steps they had taken to resolve the maintenance violation. A certified letter was sent to the landowner on March 16, 2006 requesting repair of the maintenance violation of the terraces built in 1999. The letter pointed out that the terraces built in 2002 did not meet NRCS standards and specifications. The letter stated the terraces would be checked again on April 20, 2006 and landowner could repair or repay \$13,675.99 for both terrace systems.

Ms. Luebbering pointed out that the landowner had not responded to the certified letter dated April 25, 2006.

When asked if it was a case of the terraces being silted in, Ms. Luebbering answered that according to an e-mail sent, they were silted in, the landowner had dug out around some of the risers, but

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not all, the landowner cleaned out some of the terraces, and the grading and shaping did not meet NRCS standards.

Kathryn Braden made a motion to request the landowner to either bring the practice up to specifications or repay the cost-share amount of \$13,675.99 within 30 days; otherwise, the matter will be referred to the Missouri Attorney General's Office. John Aylward seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

2. Mercer Soil and Water Conservation District (SWCD) – Raise the Commission's Maximum Cost-Share Limit on the DWC-1 Practice From \$8,250 to \$10,250

Ron Redden presented a request from Mercer SWCD asking the commission to increase the maximum cost-share on the Water Impoundment Reservoir (DWC-1).

The commission's current policy limits the maximum amount of cost-share a landowner can receive on the DWC-1 practice to \$8,250. The maximum was set in 1993. Prior to 1993, the maximum was based on a dollar amount times the number of tons of gully erosion; however, NRCS found that it was impossible to get uniform interpretations of the extent of gully erosion and recommended the calculation of the amount of gully erosion not be used to determine the cost-share amount. The initial limit set in 1993 was \$5,000 but later changed to \$8,250.

It was noted that for the last three fiscal years, the commission has provided regular cost-share on approximately 3,200 DWC-1 practices, at a cost of \$5,800,000.

During FY05, 283 of the 1,003 DWC-1s had costs in excess of \$11,000. This amount is the minimum total a practice could cost for the landowner to receive the commission's maximum cost-share amount of \$8,250. Of the 283 practices that cost \$11,000, 116 had a cost in excess of \$13,660, which is the minimum total cost necessary to receive the \$10,250 that was request by Mercer SWCD.

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Mr. Redden informed the commission that there were two, of Mercer's 22 practices, where the landowner received \$8,250. It was pointed out that the more expensive structures cost more because they are overbuilt to provide the landowner with a larger pool not necessarily to address larger gullies. In 2005, 1,003 DWC-1s saved on the average 373 ton of soil over the ten-year design life. The five most costly DWC-1s only saved an average of 224 tons over the design life. It was noted that these five structure's total cost ranged between \$27,500 - \$37,900.

Mr. Redden stated that while the commission's policy limits cost-share to \$8,250 per practice, 15 districts have set a limit less than that of the commission.

Beth Walter, SALT Project Manager for Mercer County, stated that their board pointed out the comparison of a pond of similar size using the oldest rates, 1995 rates; indicated a 32 percent increase on the components. Therefore, a pond in 1995 cost \$6,817.39 compared to 2007, where the cost would be \$10,038.71, which is a 32 percent increase. She stated they had 32 applications for DWC-1s approved, 10 of them exceeded the \$8,250 limit.

Mathew Ray, Grundy SWCD, stated that costs for the structures have increased. He indicated they showed an increase of 30 – 40 percent to build a structure. In response to a question, Mr. Ray stated they had a list of landowners signed up waiting to build practices. He stated he tells landowners that it could be two – three years before the district could get to them. When asked if they would do fewer practices at a higher rate, Mr. Ray answered yes. When asked if they did more ponds than terraces, Mr. Ray answered the majority of their funds went to terrace systems. Kathryn Braden informed the commission that she received a request from Livingston County to be added to the support of Mercer and Grundy concerning having the amount raised. Sarah Fast pointed out that Grundy was asking for the amount to be raised to \$12,000. Ms. Braden stated that Livingston was supporting Mercer. Roger Hansen asked if there would be incentive to build larger reservoirs if the amount was raised, Mr. Ray answered that would allow for that opportunity, but that did not mean they would try to reach the maximum every time. He

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pointed out that the handbook states the minimum necessary to meet specifications. Steve Oetting asked if current policy allowed a district to bring it to the commission if the structure was over \$8,250, Ms. Fast answered that was correct. Richard Fordyce stated at the Area Meetings this was brought up.

After discussion, it was the consensus of the commission to maintain current policy.

3. Cass SWCD – Cost-Share for Reconstruction of an Existing Terrace System without Excessive Soil Loss and/or Gully Erosion and Discussion on Establishing a Cost-Share Maintenance Program

Ron Redden presented a request from Cass SWCD asking the commission allow them to approve an application to reconstruct an existing terrace system without excessive soil erosion.

The commission rule states that as a stipulation to receiving cost-share the land on which the practice is to be constructed must be eroding at rates greater than tolerable soil loss limits or be experiencing active gully erosion.

The board's letter requested the commission allow them to approve an application to reconstruct an existing terrace system built in 1984. This system was built before the current computer design program. This system's storage requirements were designed to provide a larger storage capacity than that of today's systems. Today's systems provide for larger tile and outlets, and allows for a faster rate of water removal. Several terraces in the landowner's system overtop when there is a significant rainfall event. The board and technical staff have indicated that the landowner has done a good job of maintenance of the terraces; however, the terraces continue to overtop requiring an excessive amount of time to bring the height back up.

When checked by Natural Resources Conservation Service (NRCS), they found that the landowner had already built the height back up on the berms that were row cropped and active gully erosion could not be documented. It was noted that if he was not maintaining the existing system, active gully erosion would soon

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develop and once gully erosion develops, the field would be eligible for cost-share to address erosion. The board indicated it would cost more to correct the problem if the field developed the necessary erosion to meet the eligibility requirements for active gully erosion, than if constructed using current design standards. Mr. Redden stated that to provide all landowners an exception to the soil loss requirement would require a rule change. He also stated that the commission has the authority to provide an individual landowner a variance to the soil loss requirement, but it could set precedence and there could be similar requests for other districts.

Mr. Redden pointed out that the practice the board requested approval for was eligible at 50 percent cost-share through EQIP. In order to receive funding, the landowner would most likely have to do some additional practices such as Nutrient and Pest Management to increase his points necessary for acceptance.

Mike Moreland, Cass County SWCD, reiterated that the system was put in in 1984 by the landowner, who was the contractor on the system. He stated that Mr. Johnson builds the terraces up each year. He stated that what the district was asking for was either a variance or a new policy that would allow the district to help the landowner put in new tiles and risers, so that he would not have to build the system. Mr. Johnson stated the system that was put in in 1984 was the best at that time, but according to today's standards, the tile outlets are not large enough to offset rainfall received.

Dick Purcell, NRCS, proceeded to cover the types of terraces involved in the system. He informed the commission that in 1986 NRCS revised terrace standards in Missouri. Due to this, the design had more storage added into the terrace systems and they increased the release rate, which is done by larger tile systems. He stated that even if the terraces were maintained to there original dimensions, they would not meet the current standard for storage. He pointed out that the new design is for a ten-year return storm, which means there is a 10 percent chance in any one year that terraces will be overtopped by rainfall. Next, he covered the type of system that Mr. Johnson had. He stated that on May 5th NRCS went out and surveyed all the terraces. He informed the commission that terrace number one used a waterway outlet and it

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did not have the minimum ridge height that they require for terraces. He pointed out that there was more water drainage area than what the terraces were designed for. Mr. Purcell continued to discuss the terrace system and the design of the terraces.

Mr. Purcell emphasized that redesigning a terrace system is not like designing a new system. He stated that in this case, they surveyed and cross-sectioned each terrace for a minimum of five survey points at each cross-section in the terrace. Because of this, it was much more time consuming. The other thing is that you have to investigate the entire system. He pointed out that technicians are taught to design new terraces, not to redesign existing terraces. He informed the commission that the average cost in the cost list probably did not reflect what it would cost to redesign terraces.

Mr. Moreland stated that Mr. Johnson would not have qualified in their district for Environmental Quality Incentive Program (EQIP) for the current year. When asked if the district had been using all their cost-share, Mr. Moreland answered no. Richard Fordyce reiterated that this was an issue due to the number of terraces built prior to the new design standards. Steve Oetting stated at the November meeting, Osage County brought a question to the commission about failed tile. He asked if this had been revisited. Sarah Fast answered that it would be discussed later in the meeting. Mr. Oetting stated that in his district, they use tile in almost every practice and they are finding out that about 20 years is the lifespan of the tile. When asked what the cost to retrofit Mr. Johnson's terraces would be, Mr. Purcell answered his estimated would be half the cost per foot of a new system. Due to differences, he felt they would need some other method to figure an average cost. Mr. Moreland stated that at the district's last board meeting they discussed establishing a limit.

Next Mr. Redden covered an issue of a denied request from the Gasconade SWCD, in which they were asking to rebuild existing terraces that had developed problems around the risers. Following that decision the commission asked staff to look at providing information regarding a possible rule change and a policy to address problems found in existing systems.

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Mr. Redden stated that program staff and NRCS met to work on providing the commission with information on this for discussion. According to Dick Purcell, it is difficult to come up with clear objective criteria that the board or technical staff could use to determine which systems would or would not be suitable to receive cost-share for reconstruction. He indicated that part of the problem was that the terrace design program was not made to redesign a system, but to design a system where there were no existing terraces on the field.

He stated whatever the eligibility requirements the commission placed on addressing the maintenance issues, a rule change would be necessary to provide an exception to the soil loss requirement. Mr. Redden pointed out that a rule change usually takes a year from start to finish. Mr. Redden informed the commission that in the past when an exception to the soil loss requirement was discussed, the AGO counsel suggested a new program for only practices that had an exception to the soil loss requirement. The thought was that this was more appropriate than to add exceptions to the commission's primary eligibility requirement. He stated that objective criteria had not been identified that would assist in determining what types of reconstruction would or would not be eligible. Because of this, a reduced cost-share rate for reconstruction practices might want to be looked at by the commission.

Elizabeth Brown stated she thought the commission could use more information. Mr. Fordyce reiterated that he felt strongly about the issue. He also stated it would be unwise to let the older systems become completely nonfunctional for them to qualify for cost-share. When asked if the commission would want to set standards for what terraces would eligible for this type of repair, John Aylward answered that should be up to the districts. Mr. Fordyce suggested some type of a pilot project to see how it would work. Mr. Redden stated that staff could work to provide the commission with options on a rule change and the commission could set certain limits. He informed the commission that the problem was in defining objective criteria that would help the boards in deciding which ones meet eligibility requirements.

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John Aylward made a motion to provide a variance and approve the board's request at 50 percent cost-share to bring the system up to standards as a single pilot project; in return, the commission would receive a detailed report.

When asked if it was for one project, Mr. Aylward answered just this project. Kathryn Braden asked if the commission was doing the variance, Mr. Aylward answered yes and to bring it up to standards. Mr. Moreland asked if it was 50 percent for the terraces discussed or the complete farm, Mr. Aylward answered just the terraces discussed.

Richard Fordyce seconded the motion.

Mr. Fordyce asked if in the course of the motion if staff could look at a rule change. Mr. Aylward stated he wanted to get a dollar figure, and then possibly look at a new program.

When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

4. Osage SWCD – Landowner Maintenance Violation on a DWC-1 Practice

Joyce Luebbering presented a request from Osage SWCD for repayment of cost-share funds for a Water Impoundment Reservoir Practice (DWC-1), approved by the board on August 9, 1999, because of a maintenance violation.

State cost-share rule states, "that if a practice is removed, altered, or modified so as to lesson its effectiveness, without prior approval of the district, for a period of ten years or the expected lifespan of the practice, the landowner, or his/her heirs, assignees, or other transferees, shall refund to the Cost-Share program the prorated amount of the state cost-share payment previously received for the practice or portion of the practice which has been removed, altered, or modified.

Ms. Luebbering informed the commission the district was in the process of completing spot checks for practices that received cost-share. The purpose of spot checks is to ensure that practices are

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maintained and managed according to NRCS standards and specifications.

A spot check was done September 28, 2005 on a DWC-1 completed in January 2000, by James Party. What was found was that additional pipe had been added to the inlet of the pond to raise the water level. The pond was constructed to have 2.3 feet of stage between the pipe and emergency spillway, but there was 0.3 feet of stage. Storage is needed to store water during rainfall and runoff events. By reducing the storage, pressure is added to the emergency spillway. It was also noted that fill had been added to the inlet of the emergency spillway and the fence had been removed from around the structure. On September 9, 2005, the district informed the landowner of the findings and ways to correct them. They gave him 30 days from the date of the letter to have the modifications completed to return the practice to its original standards and specifications. At that point, the landowner's son, Dale Party, informed the district that he had bought the property and was unaware of the maintenance agreement. Mr. Party was informed by Melinda Barch of his responsibilities for structure. Then on October 28, 2005, a certified letter was sent to Mr. Party informing him to correct the issues by November 15, 2005. The letter was not accepted and a second letter was sent regular mail, it was not returned. On December 23, 2005, the program office was informed of the violations and that they had made every effort to help Mr. Party correct the situation, but he had not responded. Finally, on February 28, 2006, a letter was sent to Mr. Party informing him the matter had been referred to the program and requested repayment of cost-share in the amount of \$2,296.32. Mr. Party was given until March 31, 2006, to remit payment or the matter would be referred to the commission. Mr. Party was informed on April 25, 2006, of his responsibility under the cost-share rule. The letter also stated Mr. Party had until May 23, 2006, to resolve the problem.

Dale Party stated the letters had the wrong address, but as soon as he received the letter, he called the SWCD and discussed with them the problem. According Mr. Dale Party, he did know that his parents had agreed to some type of agreement, but he did not know that if he purchased the property he was also required to maintain the practice. The reason he changed the specs on the practice was

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because it leaked and he wanted to have fish in it. He also stated he had built a house in front of it. He informed the commission that at the toe of the dam the water flows. He stated he put 1,000 pounds of bentonite in the structure. According to a contractor, that he had look at the structure, he was told it needed to be machined in. He stated he had an exposed dam due to leakage. He stated he was not happy with the current situation either. He reiterated that he changed the specifications because of the problem with the structure. One other thing he did was build a silt basin above the structure. He stated that if he had not put the pipe on, it would be low. When it was dug, it was ten feet deep.

When asked what the primary reason for the structure, Mr. Party answered it was for erosion. When asked what the acreage was that the structure was on, Mr. Party answered eight acres.

Cindy DeOrnellis, Osage SWCD, stated that on behalf of the board that when they do spot checks it is their responsibility to report maintenance violations. She stated they do not want to cause a hardship on the landowner or who ever would take property over. They would prefer the structure be brought back to specifications. She stated their technical people felt the extra pipe and blocked spillway could cause structural integrity to fail with a large rainfall. She also said that ponds in the district have a big chance of leaking due to the topography and soils.

When asked if he was opposed to putting the structure back, Mr. Party answered he wished the district would fix the structure. He said he understood his father signed a ten-year agreement. He also stated that if the pipe was put back down, he would lose his fish, and there will be a large mud hole in his backyard. He did not know why they could not fix the leak. When asked again if he would be willing to bring the structure up to specifications, Mr. Party answered he guessed he could. He felt it was a shame, because he did not know what to do.

John Aylward made a motion to request the landowner to either bring the practice to specs or repay the cost-share amount of \$2,296.32 within 30 days; otherwise, the matter will be referred to the Office of the Missouri Attorney General. Leon Kreisler seconded the motion. When asked by the chair, John Aylward,

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Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

5. Lawrence Soil and Water Conservation District (SWCD) – Change the District Cost-Share Software Procedure for Calculating Cost-Share on Grass Seed

Noland Farmer presented an update to the commission regarding letter from Lawrence SWCD about pure live seed.

In a letter from the district, they stated their concern was about districts having to provide changes to cost-share claims when the district clerk mistakenly enters in an extent installed for a seed component that does not match the total number of pounds of pure live seed shown on the worksheet generated by the district cost-share program.

He pointed out that there could be a difference in the total pounds of pure live seed required for the practice as shown on the Natural Resources Conservation Service (NRCS) worksheet and the total number of pounds calculated by the District Cost-Share (DCS) worksheet. This is a result of rounding. The board also pointed out in their letter that program staff requires changes to the claim when the amount due the landowner is perceived as being miniscule. The board felt that the changes caused a burden to the district, staff, and an expense to the taxpayers. Mr. Farmer stated that the rounding numbers issue was not new, and the difference in the pounds of seed existed prior to the automation of NRCS worksheet and the automation of the program's worksheet.

The component list from NRCS provides two pricing options for seed components. The district can choose to provide cost-share based on price per pound, or cost-share based on price per acre of seed used on the practice. Districts that choose to provide cost-share based on the acreage never experience the rounding problem. If the board chooses to provide cost-share on the cost per pound of seed then that is when there is a possibility of a difference in the number of pounds of seed.

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Next Mr. Farmer proceeded to provide the commission with an example of the problem.

The cost-share handbook states, “that the DCS program contains an automated worksheet that is used to compute the amount of seed required for the practice and the actual cost of seed required for the practice”. Mr. Farmer stated that when district staff is trained, it is stressed the importance of taking extents completed and the actual cost incurred from the worksheets, as well as the importance of entering the extents completed in the claim to the nearest 1/1000th.

Mr. Farmer stated the rounding issue does not affect all cost-share claims. On claims that require seed, some of the districts approve cost-share based on the number of acres of critical area seeded. The problem of rounding is most likely to occur when the landowner is approved for more than one species of seed. Mr. Farmer informed the commission that last fiscal year, of approximately 1,100 DSL-1, DSL-2 and DSP-2 practices, only a fraction experienced the rounding problem that resulted in the districts submitting changes to the claims.

Mr. Farmer spoke to Ron Miller, the NRCS Agronomist and David Gruber, NRCS Database Specialist and they told him the State NRCS staff continues to make improvements to the automated Seedrate Worksheet. They hoped to have the Seedrate III Worksheet out later in the fall. Mr. Farmer stated that an alternative to asking NRCS to make the rounding change to their worksheet would be for the program to publish an update to their current DCS program. He stated it was his understanding not to make changes to the current DCS program because of MoSWIMS being fielded in the upcoming months. Mr. Farmer stated the basic issue is that district personnel are working with two automated programs, one belongs to NRCS and the other to Soil and Water Conservation Program (SWCP). The NRCS program calculates and rounds the value to a tenth of a pound. The district cost-share program does the same calculation but does not round to a tenth of a pound; they carry it out to 1/1000 of a pound.

When asked how a tenth of a pound could result in hundreds of dollars difference in cost-share, Mr. Farmer answered that staff

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makes changes to the practices, some result in a penny change and some result in several hundreds of dollars. All the changes are not necessarily due to rounding, but the changes have to be made. Sarah Fast made an offer to take the responsibility to allow small discrepancy amounts to occur and not make any changes to the program, but she would put her signature on those claims in the interim. When asked if the new system would be rounding to tenth, Ms. Fast answered the program would try to do that.

Paula Champion, Lawrence SWCD, provided examples for the commission to see concerning how all the forms work together. She also provided examples of the rounding issue.

Ms. Fast stated that with the commission's approval they would allow the variances to continue until the computer program updates.

John Aylward made a motion to approve Ms. Fast's suggestion. Richard Fordyce seconded the motion.

It was the consensus of the commission to allow these variances to be handled by staff.

Kathryn Braden stated the new system would match NRCS in rounding off to a tenth. Ms. Fast stated that her understanding was that with the commission's concurrence, was to allow her to have a temporary system and that the program would work with NRCS for a more permanent solution. Steve Oetting stated comments he received at the Area Meetings was to simplify things for them to follow NRCS standards and specifications. Peggy Lemons stated that some districts get around this issue, by instead of cost sharing per pound, they cost-share on cool season grass seed per acre, and then you do not have the problem. She also stated this was allowable on the NRCS docket. Ms. Fast stated that one of the things that the program was struggling with was how many decimal places can be significant. She stated they would look at issue.

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I. MINUTES OF THE LAST MEETING (Continued)

Kathryn Braden made a motion to approve the minutes of the February 21, 2006, commission meeting as mailed. John Aylward seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

J. REQUEST (Continued)

a. Special Area Land Treatment (SALT)

1. Vernon SWCD – Request to Approve a Pest Management Application not Planned by April 1st

Colleen Meredith presented a request from Vernon SWCD seeking permission to prepare a cost-share application for a Pest Management (N595) practice in the Lower Marmaton River SALT Project, which was developed later than the April 1st deadline.

She stated the N595 practice provides an incentive payment to operators to follow a pest management plan in which they determine through pest scouting if pesticides are required, and if so, the quantity, type, and timing of application required for targeting specific pests. If a plan is followed, contamination of surface and ground water is reduced.

In a letter from the district, they stated that Emil Mashek signed up for pest management in May 2004 for a plan in the 2005 crop year. The district was not able to sign the application for the landowner because the Vernon board had established a limit of \$30,000 nutrient and pest management and had reached that limit.

Commission policy states that the incentive payments are authorized for one complete growing season of an established pest management plan, which must include seven core months, beginning April 1st and continuing through October 31st. This period was established with the help of NRCS to ensure that a comprehensive approach to pests in the crop fields or pasture would be followed by the operator to receive an incentive payment. The plan must be written before the operator signs the initial application. The basic incentive rate is not to exceed \$15.00 per acre per year, not to exceed three years of payments with a limit of \$2,500 per year per farm per operator.

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The board indicated they had two other applications that had been written prior to April 1, 2006, but were not printed out. The board requested these be paid and based on previous action by the commission these were approved by the program office. Mr. Mashek's plan was not written until May 8, 2006. The plan was for fescue pasture and weeds identified as problems. The control options listed in the plan were spraying and mowing. The letter also indicated that the plan was completed in time for chemical application to control the weeds and sprouts. Ms. Meredith pointed out that the district could wait until next year to sign the landowner up for a pest management plan prior to April 1st and the landowner could still receive three years of incentive payments before the project ends.

Roger Hansen stated that due to workloads, they were not able to get the job done before April 1st, but they did get the plan done by May 8th, which was in time for the landowner to do the weed control.

John Aylward made a motion to approve the request. Kathryn Braden seconded the motion. When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

K. FOLLOW-UP

1. Stone SWCD

Jim Boschert presented an update on Stone SWCD. At the February 21st, commission meeting it was reported that the program had received a resignation letter from Don Chastain. At that meeting, George Cutbirth and Kristi Stephens were appointed to the board, pending resignation letters from Billie Joe Cutbirth and Elmer Curbow. These resignation letters were received on May 11th. Mr. Boschert informed the commission that they were still waiting for resignation letters from Glenn Jones and the district employees.

Mr. Boschert pointed out that the positions held by Don Chastain and Glenn Jones were up in April 2006. He stated that the district now had a quorum, George Cutbirth, Kristi Stephens, and Tim Schnakenberg, and could conduct business. He indicated that there was discussion about the supervisors holding a meeting to fill the expired terms of Mr. Chastain and Mr. Jones. At that meeting, the board would also discuss the district employees. Mr. Boschert stated that training would be provided to the new district supervisors.

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He reported that staff from the program office went to the Stone County office in March to get cost-share records and to find out the number of applications that were approved but not claimed by the February 15, 2006, commission meeting. Staff was able to determine that 72 applications were approved, but the claims were not submitted. He reported that there were some applications that were signed by the landowner, but not approved by the board. The 72 landowners received a letter from the program informing them of how to submit receipts for payment. The landowners that did not have a signed application received a letter stating their application, which was not approved by the board, would not be processed. He informed the commission that the district manager, from Barry County, was working with the Extension representative in Stone County to complete the 72 claims.

When staff was at the district office in March, they copied some financial records and sent them to the department's internal audit program for review. He stated that the district records would be audited again starting from end of the last audit to the present.

Kathryn Braden made a motion that in an effort to assist Stone County Soil and Water Conservation District in saving the soil and water in that district, I move effective today, to empower the appointed Supervisors, George Cutbirth and Christy Stephens, along with Missouri University Extension Secretary, Tim Schnakenberg, and Supervisor Glen Jones to open the Stone County Soil and Water Conservation District office under the direction of the Soil and Water Program Office with one fiscal quarter allotment to pay immediate expenses, to conduct the district's annual meeting and election, to terminate district employees, post employee positions, and conduct interviews for needed employees to prepare to assist cooperators in the fiscal year beginning July 1, 2006. Richard Fordyce seconded the motion.

Mr. Boschert asked as a point of clarification, if the money was just for district assistance funds, because they have a SALT project. Ms. Brown answered yes, district assistance.

When asked by the chair, John Aylward, Kathryn Braden, Richard Fordyce, Leon Kreisler, Baughn Merideth, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

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L. REPORTS

1. NATURAL RESOURCES CONSERVATION SERVICE

Roger Hansen reported that because of Homeland Security Legislation, NRCS would be required to have background checks including fingerprints on anyone who has access to their system. He stated he would send a letter to the commission, and partners informing them of the process. All the paperwork will need to be completed by September 15, 2006 in order to maintain access to the network.

When asked who ran the check, Mr. Hansen answered it is done by the Office of Personnel Management. He also stated there was a charge of \$103 for each investigation that would be the responsibility of the person's employer. When asked if a person would have to be sent to the district office, Mr. Hansen answered he thought it was done by computer. If a person refuses to do the check, they will not have access to the NRCS system.

2. DEPARTMENT OF CONSERVATION

Brad McCord reported that the Private Land Services has a new Division Chief by the name of Steve Wilson who moved from the Assistant Director position to head up the Private Land Division.

He also reported that by July 1st or August 1st, they will present an equipment grant program targeting soil and water districts and related partners such as, Pheasants Forever, Quail Forever, and Quail Unlimited. The partners will be able to submit proposal to purchase equipment needed. The fiscal year 2007 allocation for the program is \$100,000.

3. MISSOURI ASSOCIATION OF SOIL & WATER CONSERVATION DISTRICTS

Peggy Lemons stated that at the 2006 State Envirothon competition was held at the Rickman Center in Jefferson City. There were 19 teams, down from the normal 21. Each of the seven regions normally have three teams at the competition. She pointed out the importance of good teacher input and advice and what it could do for a team. She reported that two years ago the teacher whose team won was from St. Charles West High School. They went to the Canon Envirothon in West Virginia and placed 12th. That teacher, Russell Barton, changed schools, went to Parkway North, and brought three teams with him with all new Envirothon students. Those three teams place first, second, and

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third in their region and also at State. She reported that the first place team would be going to Winnipeg in July to represent Missouri.

4. Staff

Sarah Fast informed the commission that they had a copy of Governor Blunt's press release on the sales tax. She stated that there was a copy of the letter that was sent to Pettis County inviting them to a future commission meeting. Ms. Fast also informed the Pettis board a commissioner would be present at their Sedalia Area Meeting if they wished to speak directly to a commissioner.

Kathryn Braden presented the board's message. The board's message was that they were concerned that commission was not supporting them in their decisions. They felt they are in the position to make decisions about unique situations in their county and they are the ones who have to live with the people in their counties and with the decisions, they make.

Milt Barr presented a report on the MoSWIMS project timeline change. He reported that the project was projected to be completed and provided to the districts prior to or shortly after the end of FY06. Because of review, it was noted that more time was needed to complete the project. The new project timeline has been extended into FY07.

Even with the extension, the overall contractor resources will stay about the same as the original bid, but will be spread over a longer period.

Ron Redden presented an update on the drought situation. He reported that last fall the commission adopted some temporary reseeding policies for the districts suffering from drought. The commission made available \$10,000 for each of the districts suffering from drought, to use after their initial regular allocation. He stated that it was between 30 and 40 reseedings. However, they had not received any requests for the additional funds to reseed.

Next Mr. Redden provided the commission with a copy of the latest drought monitor. He proceeded to explain the drought monitor.

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Sarah Fast informed the commission of personnel changes in the program. She stated that Gary Baclesse was retiring June 1. Bill Wilson introduced Alex Tuttle. Ken Struempf introduced Kurt Boeckmann.

Mike Wells stated the Dams Reservoir Safety bill had proposed changes concerning the types of dam that would be regulated. He stated the bill did not pass. He stated that Missouri Department of Natural Resources would continue to operate under the same law, which means they would regulate all dams over 35 feet high except those exempt for agriculture.

M. DATE OF NEXT MEETINGS

Bill Wilson provided the commission with information regarding the tour and commission meeting that would take place June 14 and 15, in Craig, Missouri. He stated he had been working with Commissioner Fordyce, Jeremy Redden, and several others in planning the tour.

Richard Fordyce informed the commission that Golden Triangle Energy is an ethanol plant in Craig, Missouri and the commission was approved to tour the facility. The only exception was going inside the building due to sensitive information. He asked if 2:00 for the tour would work for the commission. When asked how long the tour would take, Mr. Fordyce answered it could be as long as they wanted it to be. Mr. Wilson stated they would plan on the tour at 2:00, and they would meet at Big Lake State Park. He stated he had been approached by a couple of districts about hosting an evening meal at the park after the tour. He stated the commission meeting would be on June 15, 2006, at the park starting 8:00 and a SALT tour in the afternoon in Holt County.

When asked if they would meet at 2:00 at the state park for the tour on the 14th, Mr. Wilson answered that was correct. Mr. Fordyce stated he was in the process of getting a press release out with the Missouri Press Association providing the information to their affiliates. Mr. Wilson informed the commission that he was working with several others to get the information out to different press associations.

N. REPORTS (Continued)

1. MASWCD

Steve Oetting thanked DNR staff, NRCS, and the commission for their clarification on cost-share on CSP. He stated in the last two weeks they had their Area Meetings in May because of the tax vote. One of the things the association did was hand out packets the parks association had sent to them. The packets

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were filled with information about what has been happening in the parks and soil conservation through the years. The association is working with the district supervisors to identify media personnel within the district to talk about the positives of the tax.

Next, he updated the commission on new area directors. He stated he had talked to the commissioners at the Area Meetings about an informational meeting. The area directors would meet with the commission and program staff on how the budget process works. Sarah Fast and Peggy Lemons would work on a date for the meeting. Sarah Fast stated they were looking at August to discuss the issue.

He pointed that Missouri had a couple of conservation leaders. They were Bill White and Pat Graham.

O. STAFF (Continued)

Sarah Fast pointed out that the new Missouri Resource magazine was at the table. The magazine had articles on the tax and Steve Hopper.

P. ADJOURNMENT

Leon Kreisler moved the meeting be adjourned. John Aylward seconded the motion. Motion approved by consensus at 3:38 pm.

Respectfully submitted,

Sarah E. Fast, Director
Soil and Water Conservation Program

Approved by:

Elizabeth Brown, Chairman
Missouri Soil & Water Districts Commission

/tm